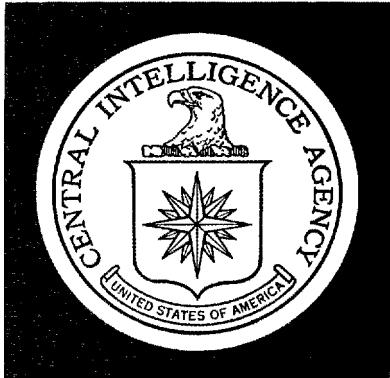


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Central Intelligence Bulletin

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7 March 1969

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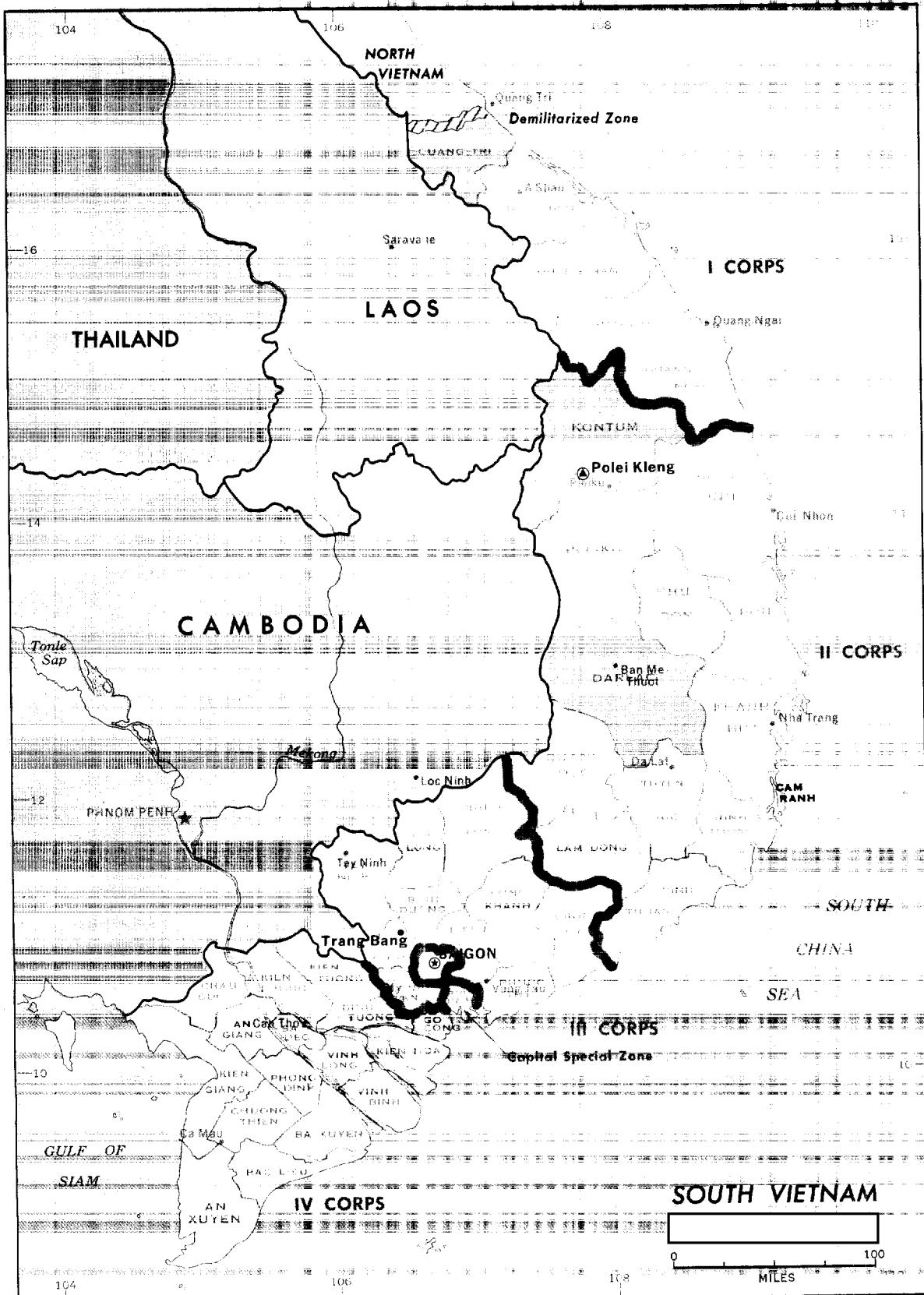
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Vietnam: Fighting in South Vietnam continued at the relatively low levels of the past few days.

The action is currently concentrated in the western highlands. Communist gunners kept up artillery fire against a number of Special Forces camps. A serious battle could be shaping up around Polei Kleng, where part of a US infantry company was lost on 4 March. Battalion-sized enemy units in this area are still putting up stiff resistance to allied sweeps. The Communists have also been active in the countryside in II Corps. Delayed reporting reveals that several hamlets in Darlac and Kontum provinces have been overrun in the past week.

In the northern provinces, captured documents indicate the North Vietnamese 246th Regiment has slipped across the Demilitarized Zone and now is operating in north-central Quang Tri Province. The 246th was pulled back into North Vietnam last summer, but the new documents show that it took part in the heavy attacks on US Marine bases on 25 February.

No rockets fell on Saigon on 6-7 March, but shelling of allied bases occurred throughout III Corps, and the Communists are still continuing the battle around Trang Bang, about 25 miles northwest of Saigon.

The assassination attempt on Prime Minister Huong--the fourth attempt on the life of a high-level Saigon official since the beginning of the year--leaves little doubt that the Communists have embarked on a campaign of political assassination. Although assassination of low-level functionaries has long been a fundamental Communist tactic, the enemy has never before gone after such big stakes. Now, however, political assassination supports the current Communist strategy of precipitating an internal crisis to bring down the Saigon government.

[] (Map) []

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Berlin: Communist military activity around Berlin in connection with the West German presidential election is apparently in its final stages.

Soviet military movements were used again yesterday to justify closures of the Helmstedt autobahn for two three-hour periods. Further closures are possible from time to time until all Bonn's electors have left Berlin.

Warsaw Pact Commander Yakubovsky and Soviet Deputy Foreign Minister Semenov, who had come to Berlin on 28 February to assure on-the-scene management of harassment tactics, apparently left the city yesterday. Moscow's control remained in evidence, however, as Soviet officers stayed at the checkpoints during autobahn delays. There has been no systematic application of tighter controls over manufactures shipped from Berlin to West Germany since the Communists charged last week that Bonn is using Berlin for illegal military purposes.

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France: Government-sponsored talks between labor and management collapsed yesterday, raising fears of a new economic crisis which could lead to a franc devaluation.

Labor leaders walked out of the talks after three days when the government and the Patronat (National Association of French Manufacturers) refused to turn the talks into actual negotiations on wage increases. The government insisted that the discussions, promised in the accords signed during the student-labor crisis of last May, be confined to a review of wages and prices over the last year.

The government is fearful that bowing to union demands for wage increases amounting to 10 to 12 percent would lead to an immediate devaluation of the franc. Earlier, uncertainty over the outcome of the talks, particularly fear of an inflationary settlement, sent selling prices for gold to a new high in London and Paris. Despite the existence of extensive exchange controls, money has been finding its way out of France, with one report stating that as much as 75 percent of the demand for gold in London comes from France.

Union leaders, who are acutely aware that the rank-and-file thought them much too cautious during the crisis last year, have called a 24-hour general strike for next Tuesday. The leaders have announced that they will meet with the workers to determine the "form, extent and duration" of strikes. Wildcat strikes are already under way in several sectors.

The strike call has increased fears that the franc will be devalued. According to the Paris press, however, De Gaulle again came out against devaluation at the weekly cabinet meeting last Wednesday. [redacted]

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Israel: Mrs. Golda Meir will probably be presenting her cabinet for approval by the Knesset next week.

The 450-member Labor Party central committee will almost certainly vote its approval today. Formal consultations with the coalition parties are going smoothly, and all indications are that she will be approved by the Knesset. No major changes in the present cabinet are expected.

Mrs. Meir is a long-time dedicated worker in the Zionist cause, with vast experience in and out of government. A tough and able negotiator, she will be vigorous and outspoken in defense of Israel. Mrs. Meir rules out an imposed settlement in the Middle East and insists that direct negotiation with the Arabs is the only viable path to peace. In a recent interview, she rejected the appellation of "hawk" or "dove," but said she was not among those who claim that not one inch of the occupied Arab territories should be given up.

Mrs. Meir, who will be 71 in May, has been incapacitated by a circulatory ailment for extended periods over the past three years. [redacted]

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She has indicated she does not plan to run for another term in the Knesset. [redacted]

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Lebanon: Fedayeen activities in Lebanon are presenting an increasingly serious problem for the government.

Yasir Arafat, the head of the major Palestinian commando group Fatah, is now threatening a tough reaction to any government moves to restrain the guerrillas, [redacted]

Previously

Arafat had assured Lebanese officials he would be as cooperative as possible in limiting fedayeen activities in Lebanon.

Arafat, who is also the newly elected chairman of the PLO, recently instructed the PLO representative in Beirut to threaten the Lebanese Government with demonstrations if it does not release a recently arrested Fatah official. Arafat also stated that the closure of three fedayeen bases in southern Lebanon would be out of the question even if Beirut should seek it. The three bases, which are less than ten miles from the Israeli border, appear to represent an expansion of fedayeen activity.

The Lebanese Government probably will not push Fatah too far on a withdrawal because of the domestic political repercussions that would follow, but Beirut may be reluctant to release the imprisoned official despite Arafat's threats since this would constitute a public surrender. [redacted]

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Central America: Official response to the Nicaraguan decision to impose a tax on certain imports from other Central American Common Market countries thus far has been restrained.

The present crisis nevertheless is being described by Central American leaders as the gravest in the organization's eight-year history. The four other members have decided to collect a bond or deposit on Nicaraguan exports equivalent to the amount of customs duty levied by Nicaragua, but they also committed themselves to work to alleviate Nicaragua's economic problems. In addition, Honduras and El Salvador pledged to take further action on outstanding agreements on regional integration.

These commitments satisfy in part Nicaraguan President Somoza's demand for more rapid progress toward regional integration and consideration for Nicaraguan economic problems. Somoza is reportedly unwilling, however, to compromise or settle for mere promises of action, and his intransigence could strain the organization beyond the point of repair. [redacted]

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Surinam: An apolitical retired civil servant, Arthur May, has been appointed to head a caretaker government following the resignation of long-time Minister-President Pengel.

Recent labor disorders hurt Pengel's prestige and there has been much dissatisfaction with his arbitrary and corrupt rule. As a result, his efforts to be reinstated failed. The new government leaders, although not particularly strong, are honest and dedicated to rooting out corruption. May himself is a good administrator and at least initially is expected to have public support as he tries to put Surinam's chaotic financial house in order and prepare for elections, which may be called for late September.

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Thailand: The government has won its first test of strength in the newly elected lower house.

With the support of independent members, the government party elected its candidate as speaker of the House of Representatives on 5 March, thus demonstrating that it can muster a working majority. An independent House member was elected deputy speaker, apparently as a payoff for independent support to the government.

These results are the clearest sign to date that independents, some of whom apparently had been sounding out the possibility of working with the opposition Democrats, will side with the government on important issues. Independent leaders previously had declared their support for Thanom to continue as prime minister. At the same time, however, it is becoming increasingly clear that many of them intend to exploit their pivotal position between the government and the Democrats.

Control of the House leadership will ease the way for the Thanom government to succeed itself. The elections for speaker are further evidence, however, of the increased power of Deputy Prime Minister Praphat, to whom several independent members owe their seats. Praphat probably will have a large voice in determining the makeup of the new cabinet, although he carefully has indicated that he will continue to support Prime Minister Thanom.

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Equatorial Guinea: President Macias apparently has thwarted an attempted coup against his government.

In a cable to the UN Secretary General on 5 March, Macias reiterated his earlier request for a 150-man UN peacekeeping force, and stated that he was in full control after a coup attempt that morning. The coup group was led by Atanasio Ndongo, foreign minister of the small West African country, and Saturnino Ibongo, its UN representative. Both men were moderates and former political opponents who had joined the more militant and nationalistic Macias in a coalition government when the former Spanish colony became independent last October. Recent reports indicate that Ndongo has been killed and that Ibongo is under arrest.

The two officials had returned to Equatorial Guinea this week from a visit to Spain, during which they had conferred with Spanish officials about the current crisis in relations between the two countries. Their advocacy of negotiation with Spain may have led them to attempt to seize power from the emotional and erratic president, whose virulent anti-Spanish diatribes provoked the deterioration in relations and dangerously inflamed local tensions. It may also have prompted Macias to oust them.

The current turmoil could lead to further upheaval and the eventual fall of the already shaky government. Ndongo had enjoyed considerable popular support and, according to one report, the loyalty of the country's only security force. The removal of one of the few moderate voices in the government could also endanger further negotiations with Spain, whose continued assistance is vital to Guinea's economic well-being.

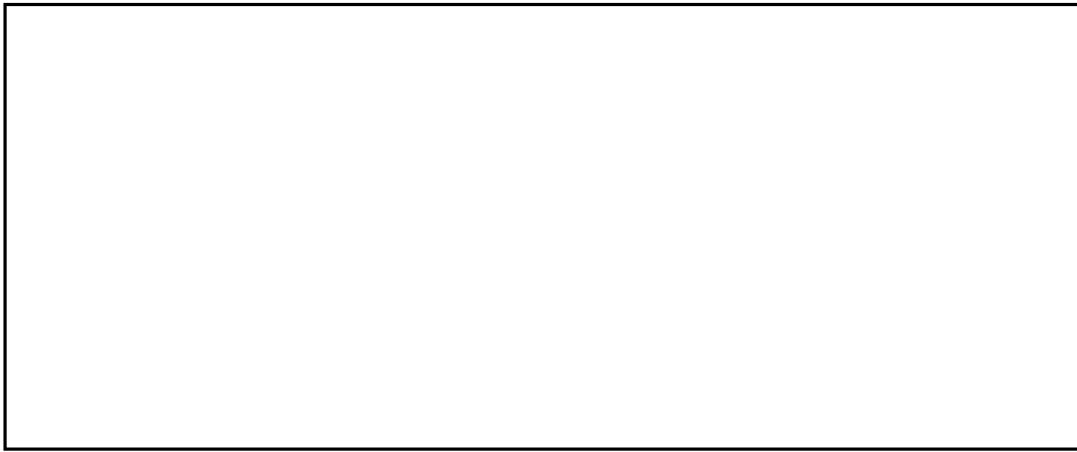
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Syria: The power struggle in Damascus has remained nonviolent, and Minister of Defense Hafiz Asad seems to be running the show for the time being. Ineffectual Prime Minister Atasi publicly received a visiting Egyptian dignitary yesterday in the company of Asad and other cabinet ministers, an indication that he is not outwardly opposing Asad's leadership.

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SPECIAL NATIONAL INTELLIGENCE ESTIMATES

The United States Intelligence Board, on 6 March 1969, approved the following special national intelligence estimates:

SNIE 97-69 Peru and the US: The Implications of the IPC Controversy [redacted]

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SNIE 13-69 Communist China and Asia [redacted]

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